

## Message Text

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12

ACTION EA-14

INFO OCT-01 ISO-00 DLOS-07 COA-02 EB-11 COME-00 TRSE-00

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R 170805Z MAY 74

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 778

INFO USLO PEKING

AMEMBASSY TOKYO

LIMITED OFFICIAL USE HONG KONG 5525

E.O. 11652: N/A

TAGS: EFIS, PBOR, CH

SUBJECT: U.S. SEAFOOD FIRM MAKES DEAL AT CANTON, PRESENTS

INDUSTRY POSITION ON LOS

REF: HK 5214

SUMMARY: ALTHOUGH MANY TRADERS AT THE JUST CONCLUDED CANTON TRADE FAIR APPEAR TO BE UNHAPPY (REFTEL), ONE NEW YORKER HAS GOOD NEWS FOR AMERICANS WHO LIKE SHRIMP COCKTAILS. END SUMMARY

1. MURRAY P. BERGER, PRESIDENT, SEABROOKS FOODS INC., GREAT NECK, NEW YORK, INFORMED CONGENOFFS MAY 13 OF RESULTS HIS RECENT (FOURTH) TRIP TO CANTON TRADE FAIR. ALTHOUGH MANY TRADERS WERE NOT HAPPY WITH RESULTS GIVEN HIGH PRICES AND LIMITED SUPPLIES IN THEIR LINES (HK 5214), BERGER INDICATED SATISFACTION. THE CHINESE HAD AGREED TO SUPPLY 340 TONS OF SHRIMP OVER THE NEXT FEW MONTHS, SUBSTANTIALLY ABOVE THE 240 TONS HE PURCHASED AT THE NOVEMBER FAIR. THIS PURCHASE IS VALUED AT \$1.9 MILLION, AND IS ONE OF THE LARGEST KNOWN PURCHASES OF AN AMERICAN AT THE FAIR. BERGER ATTRIBUTED CHINESE WILLINGNESS TO INCREASE SUPPLY TO

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ABSENCE OF JAPANESE BUYERS (WHO HAVE OVERSTOCKED IN FISH

FOODS AS WELL IN OTHER COMMODITIES) AND TO THE FACT THAT HE IS NOW WELL-KNOWN TO CHINESE OFFICIALS. THE PRICE OF SHRIMP GENERALLY WAS ABOUT 10,000 RMB (US\$5,300) PER TON, WHICH IS BELOW WORLD MARKET PRICE DESPITE NEARLY TWO PERCENT REVALUATION OF THE RMB DURING RECENT WEEKS. ALTHOUGH HE COULD NOT ESTIMATE THE TOTAL CHINESE SHRIMP CATCH, HE SAID IT WAS SUBSTANTIAL AND CHINA WAS THE ONLY COUNTRY ABLE TO PROVIDE ADDITIONAL SHRIMP ON A LARGE SCALE. THE CHINESE HAD REFUSED HIS REQUEST TO HAVE EXCLUSIVE RIGHTS FOR SALE OF SHRIMP IN THE U.S. MARKET. HIS ATTEMPT TO PIN DOWN ANNUAL PURCHASE OF 1,000 TONS WAS ALSO TURNED ASIDE BY THE CHINESE. BERGER SPECULATED THAT THE CHINESE PROBABLY PREFER TO KEEP THE MARKET OPEN FOR THE JAPANESE.

2. BERGER EXPRESSED GENERAL SATISFACTION OVER THE PACE AND GRADE OF CHINESE SUPPLY. THE FROZEN SHRIMP ARRIVE IN THE U.S. IN GOOD CONDITION. (PREVIOUSLY TRANSHIPPED VIA HONG KONG, THEY ARE NOW SENT DIRECTLY TO THE U.S. ON JAPANESE VESSELS.)

3. IN ONE EARLIER INSTANCE, HOWEVER, THE CHINESE HAD SHIPPED SEABASS INSTEAD OF SEAPERCH. THEY HAD EVENTUALLY AGREED TO COVER HIS CLAIM (ABOUT \$3,800) GIVING SEABROOK AN ADDITIONAL ONE PERCENT DISCOUNT ON SEVERAL CONTRACTS FOR FROZEN SHRIMP BY INVOICING AN ADDITIONAL THREE PERCENT IN SUBSEQUENT SHIPMENTS. THE CHINESE HAD ASKED THAT HE HOLD CLOSELY THIS UNUSUAL ADMISSION OF ERROR ON THEIR PART. (BERGER SAID IT WAS NOT SO EASY TO RESOLVE A CLAIM ON \$27,000 WORTH OF SILK PURCHASED BY HIS PARENT COMPANY, SPRING MILLS, FROM THE TEXTILE CORPORATION. SINCE SPRING MILLS DID NOT MAKE ANY NEW PURCHASES, IT WAS NOT POSSIBLE FOR THE CHINESE TO SETTLE THE CLAIM THROUGH ADJUSTED CREDITS OR DISCOUNTS. INSTEAD THE CHINESE REQUESTED A SAMPLE OF THE DAMAGED GOODS AND SAID THEY WOULD TAKE THE MATTER UNDER CONSIDERATION.)

4. BERGER ADDED THAT ALTHOUGH THE QUALITY OF FROZEN CHINESE SHRIMP WAS GOOD, THE CHINESE HAD SO FAR FAILED TO PRODUCE GOOD QUALITY FROZEN VEGETABLES.  
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## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** TRADE PROMOTION, BUSINESSMEN, SALES, SUPPLIES, SHELLFISH, TRADE FAIRS, PRICES, CONTRACTS, CANTON  
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**Draft Date:** 17 MAY 1974  
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**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**TAGS:** EFIS, PBOR, CH  
**To:** STATE  
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